

Message Text

LIMITED OFFICIAL USE

PAGE 01 SEOUL 06224 141047Z

20

ACTION TRSE-00

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08

CEA-02 PA-03 PRS-01 USIA-15 DRC-01 /143 W

----- 092383

R 140629Z SEP 73

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 0063

LIMITED OFFICIAL USE SEOUL 6224

PASS TREASURY

E.O. 11652: N/A

TAGS: EFIN, KS

SUBJECT: ROK VIEWS ON MONETARY REFORM

1. IN DISCUSSION WITH REGIONAL TREASURY REPRESENTATIVE, MOF OFFICIALS STRESS THAT NEED FOR QUICK RESOLUTION OF CURRENT B/P DISEQUILIBRIUM BETWEEN MAJOR COUNTRIES, AGREEMENT ON MONETARY REFORM AND RETURN TO MORE STABLE WORLD MONETARY SYSTEM WOULD BE THEME OF MINISTER'S SPEECH AT NAIROBI. THEIR VIEW ON SEVERAL SPECIFIC ISSUES NOW UNDER DISCUSSION IN C-20 DERIVED FROM THIS OUTLOOK. THEY APPEARED WELL PREPARED WITH POSITIONS WHICH TOOK INTO ACCOUNT JULY MINISTERIAL MEETING. THEY HAD ALSO BEEN IN TOUCH BY TELEPHONE WITH THE REPRESENTATIVE IN PARIS DEPUTY'S MEETING WHO CONVEYED IMPRESSION THAT NO PROGRESS MADE THERE.

2. VIEWS ON SPECIFIC ISSUES WERE AS FOLLOWS: A. RESERVE INDICATOR DID NOT BELIEVE IT VERY USEFUL PARTLY BECAUSE OF DEFINITIONAL DIFFICULTY AND WERE UNDER STRONG IMPRESSION THAT U.S. WAS PREPARED TO COMPROMISE;

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SEOUL 06224 141047Z

B. MORE FLEXIBLE EXCHANGE RATES - SEE NO SPECIAL

PROBLEM FOR ROK TRADE, BORROWING OR RESERVE MANAGEMENT;

C. MANDATORY SETTLEMENT - STRONGLY IN FAVOR TO PREVENT
REPETITION OF U.S. DELAY IN DEVALUING WHICH THEY BELIEVE
IS CAUSE OF PRESENT CRISIS;

D. STRONGER IMF - IN FAVOR BECAUSE BELIEVE IT WOULD
CONTRIBUTE TO GREATER STABILITY; APPEARED CONFIDENT THAT
ROK COULD HANDLE ANY DIFFERENCES WITH FUND.

E. SDR-AID LINK - IN FAVOR OF DCS GIVING PORTION OF
THEIR ALLOCATION TO LOCS BUT AGAINST ANY DISCRIMINATION
IN FAVOR LEAST DEVELOPED.

3. COMMENT: KOREA'S OUTSTANDING GROWTH AND EXPORT PERFORMANCE,
COMBINED WITH A CONTINUING FAVORABLE OUTLOOK AND STRUCTURE OF
ITS EXPORTS (ALMOST 90 PERCENT MANUFACTURES) SEEMS TO BE MOVING
IT GRADUALLY IN DIRECTION OF CONSERVATIVE DC, SUCH AS JAPAN
AND SOME COMMON MARKET COUNTRIES. FOR MOMENT, IT REMAINS
PSYCHOLOGICALLY AN LDC AND WISHES TO USE THIS STATUS TO
OBTAIN CAPITAL ON CONCESSIONAL TERMS.

HABIB

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 14 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973SEOUL06224
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730934/aaaaaylt.tel
Line Count: 83
Locator: TEXT ON-LINE
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 27 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27-Nov-2001 by kelleyw0>; APPROVED <20-Dec-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ROK VIEWS ON MONETARY REFORM
TAGS: EFIN, KS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005